



State of Utah

Department of Natural Resources

ROBERT L. MORGAN
Executive Director

Division of Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

June 30, 2004

Bruce Ulmer
Casco Group, Incorporated
860 South Airway Drive
Fillmore, Utah 84631

Subject: Transfer of Notice of Intention, Small Mining Operations from Anchor Aquarium Products to Casco Group, Inc., Anchor Products #1 Mine, S/027/025, Millard County, Utah

Dear Mr. Ulmer:

On September 8, 2003, we received the completed Transfer of Notice of Intention of Small Mining Operations to transfer the Anchor Products #1 small mining project located in SE¼ of Section 9, T23S, R13W, Millard County, Utah from Larry Gehre (Anchor Aquarium Products) to Casco Group, Inc. Because of the new bonding requirement passed by the Legislature earlier that year, it was brought to our attention that a reclamation surety now had to be posted by the new operator before approval could be granted. On June 17, 2004, we received a \$5,000 Certificate of Deposit issued by Wells Fargo Bank, the CD cover letter and the Reclamation Contract which the surety is directly tied to. This surety will allow up to one acre of disturbance.

The Division Director signed and executed the transfer document on June 25, 2004, *which effectively now transfers the responsibility of this mining operation and reclamation to Casco Group, Inc.* A copy of the executed transfer document and reclamation surety documents are enclosed for your files. You are now the official party responsible for all mining and reclamation obligations for this project. Please be aware that you must satisfy the BLM, is making this change in ownership as well. We will forward a copy of the executed transfer form along with this letter to them for their records.

By copy of this letter the Division hereby officially releases Larry or Virginia Gehre of Anchor Aquarium Products from any further reclamation responsibilities at this site. Thank you for your help in finalizing this transaction. If you have any questions or concerns regarding this letter, please contact me or

Bruce Ulmer
Page 2 of 2
S/027/025
June 30, 2004

Tom Munson at (801) 538-5286 or 538-5321 respectively. Best of luck with your new mining venture.

For your information, effective July 5, 2004, I will be transferring to the Coal Regulatory Program on a cross training assignment. Daron Haddock will be the new Minerals Program Permit Supervisor. If you have any questions or concerns after that date, please contact Daron at (801) 538-5325.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

DWH:jb

Enclosure: Executed Transfer form, Reclamation Contact & CD

cc: Larry Gehre, Anchor Aquarium Products *w/transfer*
Rex Rowley, BLM, Fillmore FO w/encl
Opie Abeyta, BLM State Office *w/encl*

O:\M027-Millard\S0270025-AnchorProducts#1\final\transfer-approve-06302004.doc

FORM MR-TRS
(Revised September 2000)

This Section For DOGM Use
New DOGM File No.: 51271025
Date Received: Sept 8, 2003
Date Effective: June 25, 2004

UTAH STATE DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

RECEIVED**SEP 08 2003**

DIV OF OIL GAS & MINING

UTAH MINED LAND RECLAMATION ACT
Chapter 8, Title 40
Utah code Annotated
Amended 1987

**TRANSFER OF NOTICE OF INTENTION
SMALL MINING OPERATIONS**

SMALL MINING OPERATION

Name of Claim/Mine: Anchor PRODUCTS #1
File Number as Assigned by DOGM (Original Notice): 512710025
Legal Description (Location of Lands Affected):
SE 9 23 13W Millard
1/4 1/4 1/4 Section Township Range County
1/4 1/4 1/4 Section Township Range County

Attach a topographic map (labeled as Appendix "A") of suitable scale (max. scale, 1 inch = 200 ft., 1 inch = 100 ft. preferred) which clearly outlines the existing disturbed area boundaries affected by the small mining operation through the date of this transfer.

CURRENT OPERATOR (Transferor)

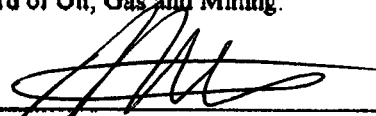
Name of Company/Operator: Larry Gehre
Address: POB 878 490 E. Canyon Rd -
City: Fillmore State: UT Zip Code: 84631
Telephone Number: 435-743-6501
Signature: _____
Name (Type or Print): LARRY W. GEHRE
Title/Position: OWNER Date: 8-25-03

I hereby transfer the notice of intention and the reclamation obligation for the aforementioned small mining operation to:

NEW OPERATOR (Transfer)

Name of Company/Operator: CASCO GROUP, INC
Address: 860 South AIRWAY DRIVE
City: FILLMORE State: UT Zip Code: 84631
Telephone Number: 435-743-4478

I hereby commit to conduct mining operations and to reclaim the aforementioned small mining operation as required by the Utah Mined Land Reclamation Act (40-8) and Minerals Rules R647-3 et seq. as promulgated and approved by the Board of Oil, Gas and Mining.



Signature (New Operator)

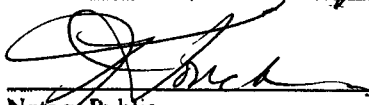
BRUCE ULLMER

Name (Type or Print)

SENIOR VICE PRESIDENT

Title/Position

Subscribed and sworn before me this 3 day of Sept., 2003.



Notary Public

My Commission Expires:

4/8, 2004

State of California) ss.

County of Los Angeles)



DIVISION APPROVAL CERTIFICATION

This is to certify that I have examined this application for transfer of the aforementioned small mining operation and do hereby grant approval of the same, subject to the following limitations:

- (a) This transfer of small mining permit grants only the right to affect the lands as legally described in this application.
- (b) The transferee, or such other person as required by UCA 1953, Title 40-8, as amended, has acquired the legal right to enter and mine the lands as described in this application.
- (c) A topographic map of suitable scale is attached (as Appendix "A") which clearly outlines and labels the existing disturbed area boundaries through the date of this transfer.

COMMENTS:

APPROVED BY:



Lowell P. Braxton, Director
Division of Oil, Gas and Mining

Effective Date: 6/25/04

Form MR-TR8

File Number 5/027/025
Effective Date June 25, 2004
Other Agency File Number UTA-079849
UTA-070665

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECEIVED

RECLAMATION CONTRACT

---ooOoo---

JUN 17 2004

DIV OF OIL GAS & MINING

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

5/027/025
MARBLE

"MINE LOCATION":
(Name of Mine)
(Description)

ANCHOR PRODUCTS #1
16 West of Black
ROCK UTAH

"DISTURBED AREA":
(Disturbed Acres)
(Legal Description)

1 ACRE
(refer to Attachment "A")

"OPERATOR":
(Company or Name)
(Address)

CASCO GROUP
17719 VALLEY VIEW AVENUE
CERRITOS, CA 90703

(Phone)

714-522-8373

"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

(Phone)

VICTOR LAMOLINARE

CASCO GROUP, INC

860 S. AIRWAY DRIVE

FILLMORE, UT 84631

"OPERATOR'S OFFICER(S)":

GRAIG DEWALT PRES.

A. BRUCE OLIVER V.P.

BRUCE SGRBY V.P.

SURETY":

(Form of Surety - Attachment B)

CERTIFICATE OF DEPOSIT

"SURETY COMPANY":

(Name, Policy or Acct. No.)

WELLS FARGO

"SURETY AMOUNT":

(Escalated Dollars)

\$5000

"ESCALATION YEAR":

2005

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between CASCO GROUP, INC the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. 5/627/025 which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the approved/accepted Notice of Intention and Reclamation Plan or Notice received Feb 17, 2004. The Notice of Intention and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face

amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

CASCO GROUP, INC
Operator Name

By BRUCE SERGY
Authorized Officer (Typed or Printed)

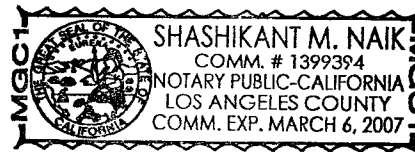
V.P.
Authorized Officer - Position

[Signature] 6/15/04
Officer's Signature Date

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss:

On the 15 day of JUNE, 2004, Bruce Sergy —
personally appeared before me, who being by me duly sworn did say that he/she is the
V.P. of CASCO GROUP, INC and
duly acknowledged that said instrument was signed on behalf of said company by
authority of its bylaws or a resolution of its board of directors and said
SECRETARY duly acknowledged to me that said
company executed the same.

[Signature]
Notary Public
Residing at 13337 South St. Century CA 90003
6th Nov 2007
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By Lowell P Braxton
Lowell P. Braxton, Director

Date 6/25/04

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 25th day of June, 2004, Lowell P. Braxton
personally appeared before me, who being duly sworn did say that he, the said
Lowell P. Braxton is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns
Notary Public
Residing at: S.L.C. UT

April 4, 2005
My Commission Expires:

ATTACHMENT "A"

CASCO GROUP, INC.
Operator

ANCHOR PRODUCTS #1
Mine Name

5/027/025
Permit Number

MILCARN County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 1 ACRE acres under the approved / accepted permit and surety, as reflected on the attached map labeled CASCO 258RA MARBLE and dated 2/13/04 :

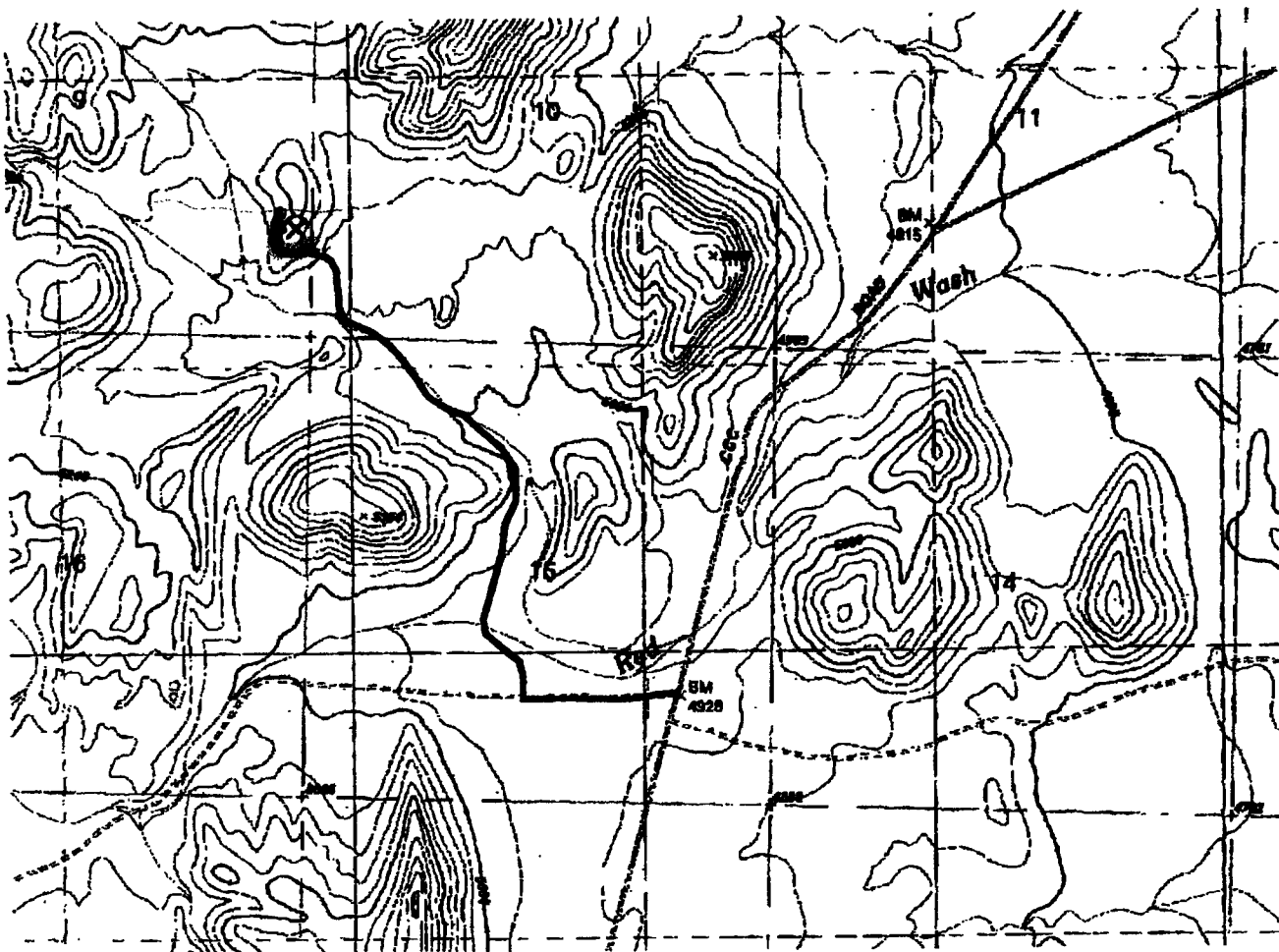
NE 1/4, SE 1/4, SE 1/4, SECTION 9, TOWNSHIP 23 SOUTH,
RANGE 13 WEST.

CASCO Zebra Marble T. 23 S., R. 13 W., SLB&M Red Tops Quadrangle

DIV. OF OIL, GAS & MIN.

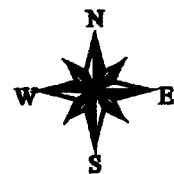
FEB 13 2004

RECEIVED



0.4 0 0.4 0.8 1.2 Miles

 Proposed Access
 Existing Access
 Pit Location





OLENE S. WALKER
Governor
GAYLE F. McKEACHNIE
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

May 13, 2004

Wells Fargo Bank
Lamirada Banking Center
16580 Valley View Avenue
LaMirada, California 90638
714-994-7545

RECEIVED

JUN 17 2004

DIV OF OIL GAS & MINING

Attention: Pinki Singh, Business Banking Specialist

Subject: Reclamation Surety, Certificate of Deposit for Casco Group, Inc.'s Anchor Products #1 Mine Site, S/027/025, Millard County, Utah
Certificate of Deposit no. _____ Principal Amount \$5,000

This letter describes the mutually agreed upon instructions of the below signed parties to Wells Fargo Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit (CD), which is being used as a surety to guarantee the availability of reclamation funds for the Anchor Products #1 mine site ("Mine Site"), Millard County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$5,000 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") and the United States Department of Interior, Bureau of Land Management ("USDOI-BLM") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Casco Group, Inc. a California corporation, ("Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and USDOI-BLM and is subject to the terms and conditions described in this agreement. The CD shall automatically renew

indefinitely until either redeemed or released by both the Director of the Division and the authorized officer of USDOIBLM.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of both the Director of the Utah Division of Oil, Gas & Mining and the authorized officer of USDOIBLM to the Bank. Upon the instruction and demand of the Director and authorized officer of USDOIBLM, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division and the authorized officer of USDOIBLM may redeem the CD.

Release:

The bank shall release the CD only upon the written instruction of both the Director of the Division and the authorized officer of USDOIBLM to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$5,000. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

Bank will not be held liable for any dispute between the parties.

Agreed Upon By:

Lowell P Braxton
Lowell P. Braxton, Director
Utah Division of Oil, Gas & Mining

Date: 6/25/04

Bruce Sergy, V.P.
Bruce Sergy, Vice President
Casco Group, Inc.
Tax ID Number:

Date: 6/15/04

Pinki Singh
Pinki Singh, Business Banking Specialist
Wells Fargo Bank

Date: 6-15-04

O:\M027-Millard\S0270025-AnchorProducts#1\final\cdcover-joint-ltr-05142004.doc

Time Account Receipt/Disclosure

Bank name

Wells Fargo Bank, N.A.

Time Account number

Date opened

04/13/2004

Term of Time Account

12 months

maturity date

Your Time Account will mature on

04/13/2005

Interest rate

0.90

Fixed rate

X

Variable rate

At

Interest will be paid

EVERY 01 MONTHS AND AT WITHDRAWAL

The method of interest payment will be

BY ADDING TO PRINCIPAL

Renewability

YOU WILL AUTOMATICALLY RENEW MY TIME ACCOUNT

AT MATURITY UNLESS I NOTIFY YOU OTHERWISE.

The Bank is opening the above described Time Account for your deposit of

FIVE THOUSAND AND 0/100

\$ 5,000.00

Your name and address

CASCO GROUP INC PAYABLE STATE OF UTAH DIVISION OF
OIL, GAS & MINING
17719 VALLEY VIEW AVE
CERRITOS CA 90703-7004

RECEIVED

JUN 17 2004

851726

DIV OF OIL GAS & MINING

04/13/20

C2438 04940 B:

This is a receipt. It need not be presented at the time you obtain payment from the Bank.

W60168

**WELLS
FARGO**

June 15, 2004

Mr. Lowell P. Braxton
Division Director
State Of Utah
Department Of Natural Resources
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P O Box 145801
Salt Lake City, Utah 84114

RECEIVED

JUN 17 2004

DIV OF OIL GAS & MINING

RE: Certificate of Deposit for Casco Group, Inc.
CD no. _____

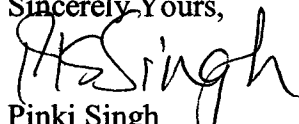
Dear Mr. Braxton:

Please be informed that the above reference CD which is being used as a surety to guarantee has been modified to read as follow:

"Payable to the State of Utah, Division of Oil, Gas & Mining and the United State Department of Interior, Bureau of Land Management ("USDOI-BLM").

Please give me a call at 714-994-7545 if you have any questions in regard to this matter.

Sincerely Yours,


Pinki Singh
Business Specialist